

Energy Savings Performance Contracts

"Improving Contract Administration"

Army Worldwide Environmental and Energy Conference
6 December 2000

Martin Hagan Army Audit Agency



Energy Savings Performance Contracts

"Improving Contract Administration"

Key Process Steps:	Contractor (ESCO):	Army:	Process Improvements:
Feasibility Study	Prepares / Conducts	Receives Report	- Ensure joint reviews of LR Master Plan (LRMP).
			- Identify remaining Economic Useful Life on buildings being studied.
Initial Proposal	Establishes Baseline Proposes M&V methodology Calculates Energy Savings Estimates Investment Cost Estimates O&M Savings	Receives Proposal	 Best – Army establishes baseline. Next Best Jointly establish baseline.
			- Ensure IGE prepared to evaluate cost reasonableness. Cross-check using PV analysis.
Equipment Installation / Testing	Installs and Tests Equipment	Inspects and Accepts	- Acceptance reports should show quantities / locations. Signed by COR and DPW.
			- ESCO equipment clearly marked and tagged.
Measurement / Verification	Conducts Annual Reconciliation	Receives Report	- Joint physical inspections.